

1 Q. Consumer Question: Please provide analysis of the impact if oil prices are 20 %
2 lower than that used in the study of the thermal option?

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5 A. The requested analysis is presented in the table below.
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Cumulative Present Worth (2010 \$million)			
	Isolated Island	Interconnected Island	Difference
Reference Case (October 2010):			
Fixed charges	1,402	1,750	(348)
Fuel	6,049	1,170	4,879
Power purchases	743	3,358	(2,615)
Operating	616	374	242
	8,810	6,652	2,158
Fuel Costs Decreased by 20%:			
Fixed charges	1,402	1,750	(348)
Fuel	4,839	936	3,903
Power purchases	743	3,358	(2,615)
Operating	616	374	242
	7,600	6,418	1,182

7 Please note that annual fuel costs for both scenarios were reduced by 20%. The
8 result of this sensitivity is that there continues to be a CPW preference for the
9 Interconnected Island alternative, but it is reduced to \$1,182 million relative to the
10 base case.

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12 Nalcor's Submission contains a number of other sensitivity analyses relating to the
13 price of oil. The results on the following page are extracted from Table 29 in
14 Nalcor's Submission, as presented on page 126.

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	Isolated Island	Interconnected Island	Preference for Interconnected island
Reference Case	\$8,810	\$6,652	(\$2,158)
PIRA High World Oil Forecast	\$12,822	\$7,348	(\$5,474)
PIRA Low World Oil Forecast	\$6,221	\$6,100	(\$120)
PIRA May 2011 Update For Reference Oil Price Forecast	\$9,695	\$6,889	(\$2,806)

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Cumulative Present Worth (2010 \$million)